

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

The Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Act, 2011 – Notification under Section 21 for removal of difficulties – issued.

PANCHAYAT RAJ & RURAL DEVELOPMENT (RD.III) DEPARTMENT

G.O. Ms. No. 53

Dated: 26-02-2011
Read the Following:

1. Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Act, 2011.
2. Note from Chief Executive Officer, SERP, Hyderabad dt. 17.2.2011

ORDER

The following Notification will be published in the Extra Ordinary Issue of the Andhra Pradesh Gazette, dated: 28-02-2011.

NOTIFICATION

Whereas, the Government have enacted the Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Act, 2011 for regulating the money lending activities of the Micro Finance Institution to protect the poor from their exploitation;

2. And whereas as per the Statement of Objects of the said Act, the endeavour of the State is to protect the interests of Self Help Groups and to relieve them from undue hardship by regulating money lending transactions by the money lending Micro Finance Institutions;

3. And whereas such Self Help Groups have been formed with the women members of the below poverty line households in the State;

4. And Whereas a difficulty has been expressed by the Society for Elimination of Rural Poverty that some Micro Finance Institutions are claiming exemption from the provisions of the said Act on the basis of lending only to male members of the Self Help Groups; and also claiming exemption for amount lent apparently without interest; and such actions would nullify the protective cover of the Act on the poor Self Help Group households and not in accordance with the objectives of the Act;

Now therefore, in exercise of the powers conferred under section 21 of the Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Act, 2011 (Andhra Pradesh Act 1 of 2011), the Governor of Andhra Pradesh hereby issues the following order for removal of the above difficulty:

ORDER

1. Since Self Help Groups are formed of the below poverty line **households**, irrespective of whether the loan is given to the woman member or any other member of the household, the provisions of the Act apply mutatis mutandis to all such money lending activities.

2. Since the definition of 'loan' in Section 2 (c) of the Act includes advance of money at interest and also **includes all advances and discounts**, any advance of money without interest, shall also be governed by the provisions of the Act.

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3. All the Registering Authorities are directed to convey these clarifications to all the Micro Finance Institutions registered with them and initiate action as per provisions of the Act in the event of any violation of the provisions of the Act.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R. SUBRAHMANYAM
Principal Secretary to Government (RD)

To

The Commissioner Printing, Stationary and Stores purchase (printing wing)
Printing Press, Chanchalguda, Hyderabad with a request to public the
Notification in the extraordinary Gazette and furnish 1000 copies to the PR&RD
Dept

The Chief Executive Officer, Society for Elimination of Rural Poverty (with a
request to cause wide publicity among all concerned)

All Project Directors, DRDAs and Registering Authorities for rural areas

All Project Directors, MEPMA and Registering Authorities for urban areas

Copy to:

The Principal Secretary MA & UD

The Director General of Police

The District Collectors of all districts

The Superintendents of Police of all districts

The Principal Secretary to Chief Minister.

The OSD to Minister (IKP & SHGs)

The PS to Chief Secretary to Government

The PS to Principal Secretary to Govt. (RD), PR&RD Department

The PR & RD (General) Department

The Law (A) Dept.,

SF/SC.

// FORWARDED :: BY ORDER //

SECTION OFFICER